

Title 10
Chapter 5
Subchapter 9
Article 7 Direct Repair Programs and Labor Rate Surveys

Section 2698.90 Direct Repair Programs

- (a) As used in this Article, a "Direct Repair Program" includes any program under which an insurer refers, suggests, or recommends a repair facility to an insured or claimant and the insurer has a formal or informal agreement with the repair facility to provide services to the insured or claimant.
- (b) Auto body repair shops reporting a denial to participate in an insurer's Direct Repair Program pursuant to Insurance Code section 758 shall send such reports to the Market Conduct Division/Field Claims Bureau of the Department of Insurance.

Authority cited: Sections 758, 12921, and 12926, Insurance Code. Reference: Section 758, Insurance Code.

Section 2698.91 Auto Body Repair Labor Rate Surveys

- (a) A "labor rate survey" is any gathering of information from auto body repair shops regarding what labor rate the repair shop charges by an insurer to determine the prevailing auto body rate charged by auto body repair shops in a specific geographic area.
- (b) "Prevailing auto body rate" means the rate charged by the majority of auto body repair shops in a particular geographic area used by the insurer as a basis for determining the cost to settle automobile collision, physical damage, and liability claims for auto body repairs.
- (c) Any labor rate survey results reported to the Department of Insurance pursuant to Insurance Code section 758 shall include the following:
 - (1) The name of each auto body repair shop surveyed in the labor rate survey;
 - (2) The address of each auto body repair shop surveyed in the labor rate survey;
 - (3) The total number of shops surveyed in the labor rate survey;
 - (4) The prevailing rate established by the insurer for each geographic area surveyed;
 - (5) A description of the specific geographic area covered by the prevailing labor rate reported.
 - (6) A description of the formula or method the insurer used to calculate or determine the specific prevailing auto body rate reported for each specific geographic area.

Any confidential information not required by this section should be removed from the labor rate survey results prior to submitting the survey to the Department of Insurance.

- (d) Insurers shall send the results of their labor rate survey to the Market Conduct Division of the Department of Insurance.
- (e) The Department of Insurance will make the reports available upon written request to the Custodian of Record pursuant to the Public Records Act.

Authority cited: Sections 758, 12921, and 12926, Insurance Code. Reference Section 758, Insurance Code; Section 6250-6277 inclusive, Government Code.